



**Testimony
for the
Environment Committee
of the
Connecticut Legislature**

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Submitted by

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Good morning Committee Chairs, and other members of the Environment Committee.

I am Michael Paine, CT Chapter Chair of the National Solid Wastes Management Association (NSWMA). I am also President of Paine's Recycling and Rubbish Removal, a proud third generation, family owned company in north central CT. We've been in business for the last 84 years.

Last year I was appointed to the Governor's Modernizing Recycling Working Group, (GMRWG). The working group was subsequently turned over to the DEEP to be managed and to help it complete its gubernatorial charge. It met and worked all of last year, and finished its business in December 2012. The DEEP then produced its final report and filed legislation, now Raised Bill S. 1081, to fulfill some of their findings and recommendations issued in the report they released in December 2012.

As a participant in this process I unfortunately have to go on record and tell you that the final report issued by DEEP, and many of the things in Raised Bill S. 1081, do not reflect the views and priorities of many of the stakeholders who served on the GMRWG. Further, we believe the final report issued by DEEP had many shortcomings and flaws. CT's private recycling and waste services industry believes, in sections and at times, the report presents an inaccurate picture of what is going on in our industry. Accordingly we urge the legislature to proceed very cautiously here and to take the time to find out what is really going in CT's vibrant and competitive recycling and waste services marketplace.

Today I am here to voice our opposition to Raised Bill S 1081. Below are several specific comments regarding our opposition to key provisions in this legislation.

Registration of Haulers - Section 7: We are completely opposed to this section. The registration of haulers is a task that a municipal or regional government handles. The current system is working fine. Each community has different requirements depending on the needs that they determine to be in the community's best interest. These local governments are closest to where the service is provided and are more aware about what is going on in these matters than the state. They respond more quickly than the DEEP and make decisions that match the needs of the citizens of their communities. Furthermore, with all of the regional resource recovery authorities there are efficiencies already at work that one centralized program at DEEP will not improve. This kind of registration program is not what was discussed, or prioritized as a great need, by the GMRWG -- which I sat on along with fellow industry member Tom DeVivo of the Willimantic Waste Paper Company.

It is important to ask also, "who will pay for all this?" The answer is simple, "our customers will and they are all the citizens, communities and businesses of CT that use our services." As an advocate for them, and as a fellow CT citizen, I will reaffirm to you now that economic times remain tough out there, and there are far better things for you to direct the spending of scarce government dollars on than all the new bureaucracy and non-productive transactional work that will be created by this section.

Also, this section sends a chilling message to all of us who have invested, and continue to invest, in our recycling and waste service businesses to fulfill CT recycling and solid waste objectives and policies. The work and innovations of our industry has made the state a leader in recycling and in the handling, processing and disposal of waste materials. This section also puts at great risk all our companies that have invested millions of private dollars, without taxpayer assistance, to make collection, recycling and the processing and reuse or disposal of CT waste materials work better. The provisions of this section will undo this progress and it will remove key protections and incentives that enable us to continually work to improve CT's recycling and waste industry. There is a provision in this section that effectively stops the transfer of a family business in this industry from one generation to the next.

In fact the provisions of this section strip away and undermine the normal, routine and customary business practices that have helped our industry make CT a leader in environmental management of recyclables and waste materials. The investments of CT's recycling and trash hauling companies in volume reduction facilities, construction and demolition processing facilities, single stream and enhanced recycling facilities, transfer stations and other facilities is significant. All Waste, USA Waste Hauling and Recycling, Winter Brothers of CT and Willimantic Waste Paper Company and many other companies have state-of-the recycling and waste processing operations with the capacity to get the job done. Some have features of their operations that work around the clock, 24 hours a day. DEEP claims this section is necessary to allow them to collect all the data of the different products being collected and managed in CT. We do not think this vast new bureaucracy is the most effective, efficient or best way to achieve this objective.

We believe, instead of creating this new statewide registration program, the DEEP should work to enhance its data sets from the information they are already getting from existing mandatory reporting requirements imposed on all haulers and facility operators. As it is now, DEEP sits on permits sometimes for two years and seems to be understaffed to handle the current workload of recycling expansions being pursued by private companies. Why should there be such delays? If the DEEP wants more recycling, it should review its procedures and streamline the permitting process so recycling operations can more easily handle additional products so that they can divert them from disposal.

Incentives for PAYT - Section 3: Rather than endeavoring to incentivize PAYT programs, we believe the interests of the state and its local governments would be better served by the use of more single stream and enhanced recycling programs. Adoption of PAYT programs is often politically difficult and very time consuming for local officials. Communities often chose to maintain current waste systems service delivery models than change to PAYT. That said the introduction of single stream sidesteps the PAYT political overhang while achieving great results. Every community using the single stream system is enthusiastic about it and each has seen: 1) increased participation, largely due to convenience; 2) greater volumes of recyclables collected and processed due to technology advancements; 3) higher diversion of recyclable from disposal; 4) reduced rates of worker injuries, largely due to collection and processing automation; and, 5) new materials, not previously mandated or targeted for recovery can be easily added and recycled in these systems.

Communities using the single stream have seen recycling rates increase by 30%. As important, the private sector has responded to the single stream system movement by investing tens of millions of dollars in facilities throughout the state. This is a system that works; and communities and citizens have accordingly embraced it. PAYT should not be priority and incentivized by DEEP at this time, especially since incentives are not defined and since single stream and enhanced recycling programs have such great potential for growth. Also, PAYT should not be pursued since “effective unit-based pricing system” is not defined and is a new system in this legislation that will be defined and approved by the DEEP and not local officials who are responsible for these programs to their citizens.

Regional Collaboration for Solid Waste Management - Section 6: Here again, as with the terminology of “effective unit-based pricing”, the incentives provided by this section are not defined at all. What are they? How will they be funded? What are the safeguards that give municipalities “opt out” options if they chose to be part in these programs initially and later determine they want to leave the program? Nevertheless, regionalism in recycling and waste services in CT is here already. Municipalities are regionalized in such entities as CROG in the capitol region, SCRRA in the southeast and the HRRRA in Danbury region. There is no need for this provision in the legislation to further encourage it. DEEP’s own consultant for the GMRWG, DSM Environmental, determined that regionalism is presently alive and well in CT. Currently, 124 towns are members of any one of 9 existing regional authorities utilizing 6 RRF’s and other regional programs. Also, there are some communities that have consciously elected to opt out of regional agreements – West Hartford, Waterbury, East Hartford, Stamford, Norwalk to name a few – and have agreed to negotiate directly with the private sector because it makes environmental and economic sense for them to do so.

We are opposed to this section. One size does not fit all and every CT community should be able to regulate the recycling and waste companies working in their jurisdictions as they decide. Each should have the freedom to select systems that work best for them to achieve state recycling and waste goals, objectives and policies. We learned long ago that "one size does not fit all" in recycling and waste service delivery models. And we know, so long as the CT system is diverse, open, competitive and robust, that innovation and technological advancement in the recycling and waste services industry will continue.

Recycling Machinery and Equipment Property Tax Exemptions -- Section 9: As private businesses, and those managing about 75% of the state's recyclables, we will to make ready use of such an exemption. That said, these exemptions will be variable and may be available to one company in one community and not to another company in a different community. We are sure if this section is enacted, some companies will work with their host communities to see if it might be applied to their operations and then purchase new recycling equipment based on this provision. A statewide uniform exemption, perhaps from state tax liability, would be more ideal and uniform to promote investment in recycling machinery and equipment.

Before closing, we want the committee to know there are things we believe the DEEP and legislature can do to help our industry increase recycling and divert more materials into reuse options. Some of these things are as follows:

Provide automatic 30 day DEEP permit reviews; with approvals/denials within 90 days. If not denied, the permit would be deemed approved.

Reform the need for permit approvals to add new recyclables to existing facilities. The DEEP should require only simple notice when a new recyclable is added. Facilities still must abide by local ordinances and rules and regulations.

Reform the process to allow for increased storage of recovered commodities at facilities without DEEP penalty. Facilities must still abide by local ordinances and rules and regulations.

Adopt minimum content legislation to promote the use of asphalt recovered from shingle recycling; and generally promote use of recycled materials recovered from CT's various waste streams in the goods and services purchased by the state and its intergovernmental partners.

As you can see from our comments we as an industry have great concerns and opposition to this legislation.

I thank the committee for your time today and welcome your questions.

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&
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NSWMA